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MARCH 1990

Get Your Slice Of The Retail Packaging Market

Retail Packaging Show Guide

Merchants Face Disposables Confusion

Protecting Your Operation

The Competitive Battles Of The 90s

Merchant Benefits Programs

Special Section:
Paper Distribution Software Comparison Guide

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Cover Photo: Richard Chesnut

Survey Reveals Merchant Benefit Programs

by Patty Goodwin, Surveys Manager, Mountain States Employers Council of Denver, CO

The results of a new NPTA Personnel Practices Survey underscore the types of programs—health insurance, dental insurance and retirement/investment plans—distributors should have in place in order to attract and retain the best and the brightest talent.

The research also indicates that merchant benefits are comparable to what other types of businesses offer.

"Our study shows that merchants are offering packages that are fairly comprehensive and that they stand in good stead with other companies in other industries," according to John Buckley, president of NPTA.

The NPTA Personnel Practices Survey, sponsored by the Association's Human Resources Committee, was conducted by our firm, Mountain States Employers Council of Denver, a human resource management consulting firm. Personnel research in the paper, plastics and allied products distribution field is an on-going project within NPTA. Preliminary plans are in the works for a non-sales compensation survey to be completed this year.

Wholesalers with $50 million in sales received survey questionnaires and were asked to participate. Twenty-eight companies—48% of the total mailing—responded.

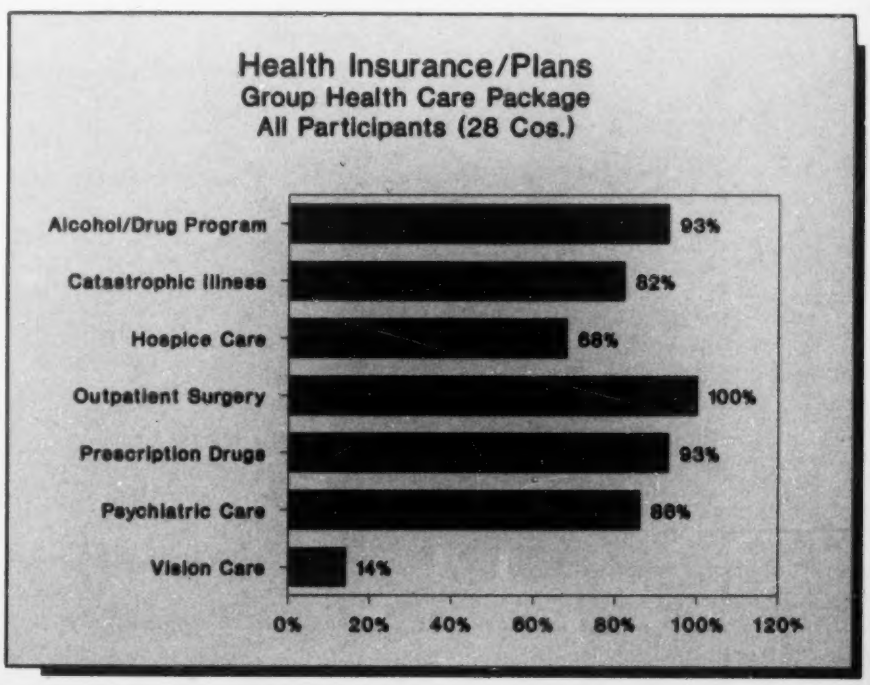
Final data is broken down by company employment size—less than 300 employees (57% of respondents); 300-750 workers (25%); and more than 750 employees (18%).

Self-Insured Plans Are Popular

When asked the type of health insurance offered to their employees, 50% of the participating companies reported that they are self-insured/self-funded; 29% offer a health maintenance organization (HMO) plan; and 39% offer Blue Cross/Blue Shield. Eleven percent of the firms have a full cafeteria/flexible benefit plan. It is interesting to note that 39% of the participants pay 100% for employee coverage and 18% pay 100% for family coverage (employees plus spouse and dependents). There were no companies with more than 750 employees that paid 100% of health coverage.

We also asked participants what type of coverages are in the group health care package. (See graph below.) Every respondent said their plan offers outpatient surgery. Virtually all respondents—93%—offer a plan that covers prescription drugs. The same percentage said their package covered alcohol/drug programs as well.

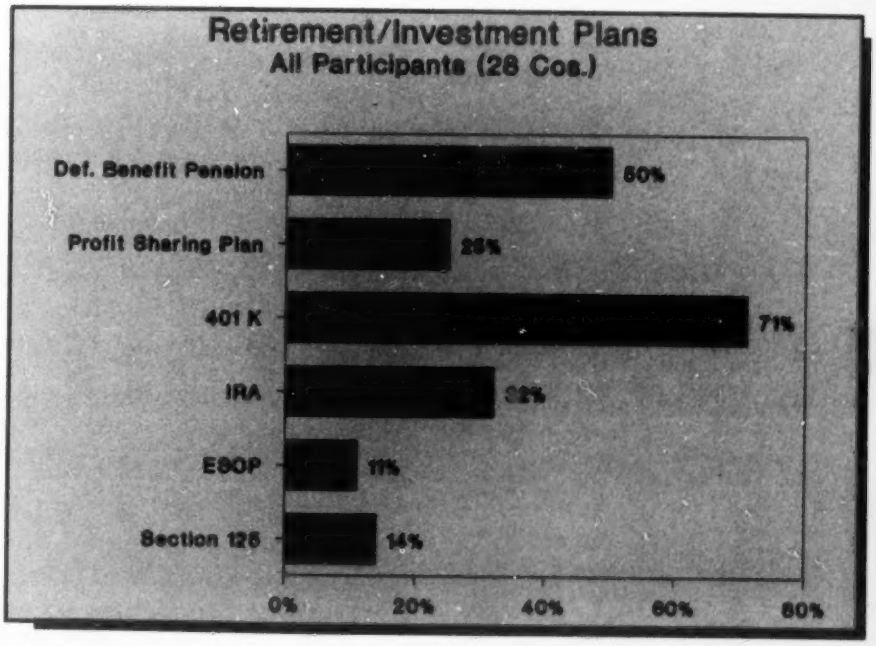
The survey also revealed that a number of merchants are attempting to control health insurance costs using different techniques, depending on the size of the company. For instance, 80% of responding firms with more than 750 employees ask workers to share in the cost of premiums. Close to 50% of firms with less than 300 on staff have plans that request a second surgical opinion. About 45% of these same size firms require pre-authorization, as do about 70% of distributorships with between 300 and 750 workers.



25% Offer No Dental Plan

Not every company surveyed offers dental insurance. Twenty-five percent said they have no dental coverage. Of those who do, 32% are self-insured/self-funded; 25% combine their medical and dental plans; and 18% have a separate basic dental insurance plan. Of the latter category, 40% pay 100% for employee and family coverage.

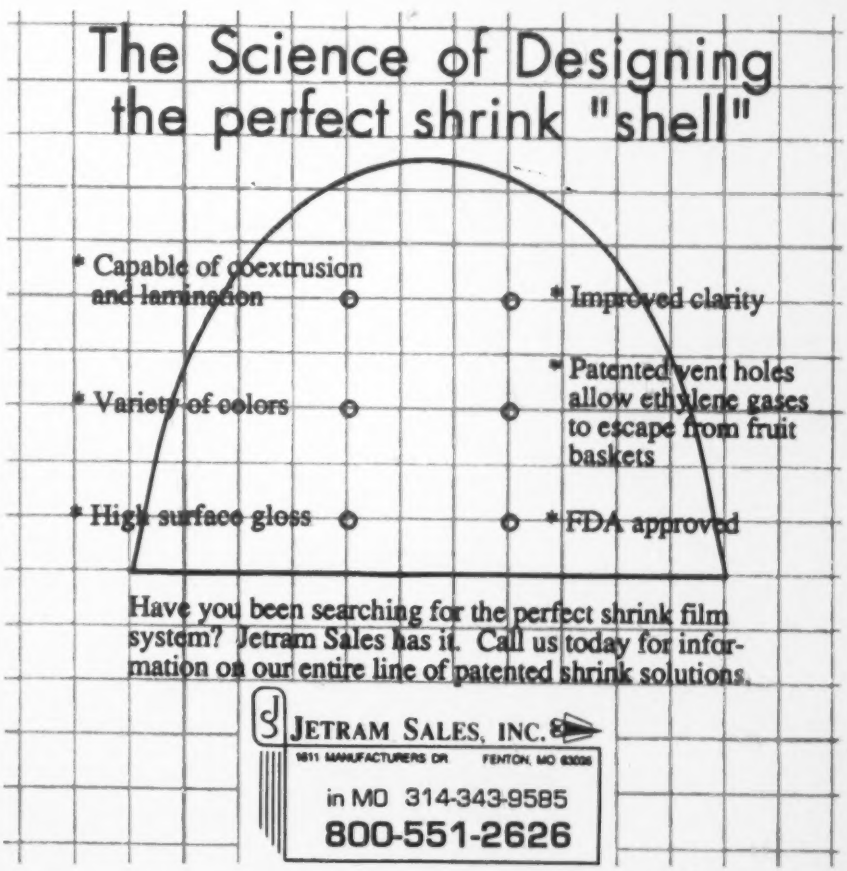
As for retirement/investment plans, 401K salary reduction programs seem to be the most popular—71% of respondents offer these to their employees. (See graph at right.) Defined benefit pensions are available from half of the respondents. Individual retirement accounts (IRAs) are popular with 32% of those answering the survey. And 25% offer a profit sharing plan of some kind.



"401K salary reduction programs seem to be the most popular—71% of employers offer these plans."

The majority of the participants (86%) give two weeks vacation after one year of service. When giving three weeks vacation, however, there is no clear majority—29% give three weeks after 10 years of service; about 25% after eight years; and 18% after seven years. Of those companies giving four weeks vacation (8% do not), 39% give four weeks after 15 years service; 21% after 20 years; and 18% after 16-19 years. Twenty-nine percent of the participating companies give five weeks of vacation.

Mountain States will be the third-party data collector for this year's executive salary survey. If you have suggestions or comments, please contact John Buckley at NPTA, 111 Great Neck Rd., Great Neck, NY 11021; 516-829-3070.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